



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

FEDERAL PELL GRANT

On Jan. 2, 2014, the U.S. Department of Education published an [Electronic Announcement](#): Federal Pell Grant Program Reconciliation. Information is provided in the announcement to assist both the Financial Aid Office and Business Office with reconciliation of the Federal Pell Grant Program. Definitions for internal and external reconciliation are included. Deadlines are given for data submission and funding cancellation of Pell Grants. Additional information is outlined in the [question and answer document](#) that is attached to the electronic announcement.

The USDE published an [Electronic Announcement](#) Jan. 28, 2014: Availability of Report Readers for Pell Grant Reconciliation File, Pell Grant Year to Date File and School Account Statement Disbursement Detail on Demand File. These three report readers have been posted on the [Common Origination and Disbursement website](#) and can be accessed by clicking on the “Today’s Update” link at the bottom of the home page. The readers assist schools with importing the reports listed below into an Excel spreadsheet for reconciliation purposes.

- Pell Grant Reconciliation File
- Pell Grant YTD File

- SAS Disbursement Detail on Demand File

A school must receive the fixed-length format of the reports to use the readers.

A Dear Colleague Letter [GEN-14-01](#) was published by the USDE Jan. 31, 2014: 2014-2015 Federal Pell Grant Payment and Disbursement Schedules. Both PDF and Excel versions of the Federal Pell Grant Payment and Disbursement Schedules are attached to the announcement. These schedules must be used to determine Federal Pell Grant awards for the 2014-2015 award year for full-time, three-quarter-time, half-time and less-than-half-time students. The maximum award for the 2014-2015 Federal Pell Grant is \$5,730. Additional information and instructions are provided in the announcement.

CAMPUS-BASED PROGRAMS

The USDE published an [Electronic Announcement](#) Jan. 3, 2014: Reminder-Deadline for 2014-2015 Underuse Penalty Waiver for the Campus-Based Programs is Feb. 7, 2014. If a school returns more than 10 percent of its Federal Perkins Loan, Federal Work Study or Federal Supplemental Educational Opportunity Grant program allocations for an award year, the allocation for the second



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succeeding award year for the FWS or FSEOG program is reduced by the dollar amount returned from the earlier year. To avoid this reduction, schools can request an underuse penalty waiver with the USDE. Feb. 7, 2014, is the deadline to request a waiver for the 2014-2015 award year, for the underuse of 2012-2013 award year funds. Instructions for how to determine if your school is subject to the underuse penalty and how to request an underuse penalty waiver from the USDE are provided in the announcement. A panel of USDE staff members will review the penalty waiver requests and notify the school Financial Aid Administrator by email whether the request has been granted or denied.

On Jan. 6, 2014, the USDE published an [Electronic Announcement](#): Tentative 2014-2015 Funding Levels for the Campus-Based Programs. The announcement was updated Jan. 31, 2014, with the budget appropriation amounts for the FWS and the FSEOG programs. Tentative funding levels and corresponding worksheets for the Campus-Based Programs will be posted to the eCampus-Based website by Jan. 31, 2014, for the 2014-2015 award year. Information is included regarding the effect of reductions in allocation funding levels due to prior year underuse and what to do if additional locations, ineligible as of Oct. 1, 2013, are not approved by March 3, 2014. Attached to

the announcement are two documents; [Explanation of the Tentative Funding Level Worksheets 2014-2015 Award Period](#) and [2014-2015 Expected Family Contribution Procedures](#). Final awards for the 2014-2015 award year are expected to be posted to the eCB website by April 1, 2014.

The USDE published a [Federal Register](#) notice Jan. 15, 2014: 2014-2015 Deadline Dates Campus-Based Programs. The notice announces the 2014-2015 award year deadline dates for postsecondary institutions to submit requests and documents for the Federal Perkins Loan, FWS and FSEOG programs. To ensure continued funding levels and participation in the programs, institutions must comply with the campus-based reporting deadlines.

An [Electronic Announcement](#) was published by the USDE Jan. 16, 2014: Participation in and Reporting Expenditures for the Work Colleges Program. Information is provided in the announcement on how schools can apply for participation in the Work Colleges Program, which is part of the FWS Program, for the 2014-2015 award year. Also included, are instructions for reporting Work Colleges Program Expenditures for the 2013-2014 award year. Deadlines and contact information are in the announcement. Copies of instructions and



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forms are attached at the end of the announcement.

- EDEExpress for Windows 2014-2015, Release 1.0 Desk Reference
- 2014-2015 Packaging Technical Reference

STUDENT AID INTERNET GATEWAY

On Jan. 3, 2014, the USDE published a [Federal Register](#) notice: Information Collection: SAIG Application/Agreement for State Grant Agencies. Comments are requested on the revisions to the Student Aid Internet Gateway Enrollment Document. Contact information and instructions for submission of comments are provided.

TECHNICAL

The USDE published an [Electronic Announcement](#) Jan. 3, 2014: Availability of EDEExpress for Windows 2014-2015, Release 1.0. This release contains global, application processing and packaging functionality for the 2014-2015 cycle. You can access EDEExpress for Windows 2014-2015 on the Federal Student Aid Download website located at <https://www.fsadownload.ed.gov>. Other EDEExpress 2014-2015 documents offered on the website include:

- Installation Guide for EDEExpress for Windows 2014-2015
- EDEExpress for Windows 2014-2015, Release 1.0 Cover Letter

An [Electronic Announcement](#) was published by the USDE Jan. 9, 2014: Issue Alert: Read Only Users of FAA Access to CPS Online Web Site Unable to Access 2013-2014 Records in Student Inquiry. The USDE discovered two issues with the Student Inquiry feature of the FAA Access to CPS Online website that affected users with “Read Only” access to student data. Both issues were connected to the additional award year field not functioning properly. Users with “Write” access were not affected. A resolution of the issue was scheduled for implementation Jan. 26, 2014, with the next release of the FAA Access to CPS Online website.

The USDE published an [Electronic Announcement](#) Jan. 24, 2014: Federal Student Aid System Access Change- Upcoming Suspension and Deactivation of Inactive FSA User IDs and Password Reset Change. Beginning March 7, 2014, the USDE will suspend any FSA User ID that has not been used within the past 90 calendar days. Any FSA User ID that has not been used within the past 365 calendar days will be deactivated. There will also be a change to the number of security questions



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a user must answer to reset their password, increasing from one challenge question to three. Users will be prompted to establish a total of five challenge questions during the password reset process. Systems that will be affected by these changes are behind the Federal Student Aid's Access and Identity Management System or AIMS and are as follows:

- Common Origination and Disbursement website
- eCampus-Based
- eCDR Appeals
- Experimental Sites
- FAA Access to CPS Online
- Financial Partners Datamart
- National Student Loan Data System Professional Access
- Student Aid Internet Gateway Enrollment

More detailed information is included in the announcement.

TRAINING

The USDE published a Dear Colleague Letter [ANN-14-01](#) Jan. 6, 2013: Webinar Recording-Software Developers December 2013 Webinar. The December 2013 webinar for software developers provided operational updates on two Federal Student Aid

systems, the Common Origination and Disbursement System and the National Student Loan Data System. No registration is required to view this recorded training session. To access the webinar, along with presentation slides and transcript, click on the following link:

<http://www.ifap.ed.gov/ifap/ifapMedia.jsp#1213SoftwareDevelopersWebinar>.

On Jan. 8, 2014, the USDE published a Dear Colleague Letter [ANN-14-02](#): Webinar Recording-Default Aversion and Management. This webinar recording explains what schools need to know about the cohort default rate process and default management, to include effective default prevention strategies. The webinar is available on the Federal Student Aid E-Training website located at <http://fsatraining.info>. You will need to log in with your username and password to access the training. Instructions on how to enroll to view the training are provided in the DCL.

DIRECT CONSOLIDATION LOANS

On Jan. 7, 2014, the USDE published an [Electronic Announcement](#): New Direct Consolidation Loan Process Information-Phase One of Transition Implemented on Jan. 2, 2014. The first phase in transitioning from the existing loan consolidation system



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to a new Direct Consolidation Loan process was implemented. These changes are due to the end of the contract between USDE and ACS (Xerox), as explained previously in a [Nov. 27, 2013 Electronic Announcement](#). The announcement outlines the following information:

- Two Direct Consolidation Loan Processes During Phase One of Transition
- New Direct Consolidation Loan Process-Applicant Information
- New Direct Consolidation Loan Process-Loan Holder and Servicer Information
- Contact Information

Phase two of the transition is scheduled to be implemented in spring 2014.

FAFSA

The USDE published an [Electronic Announcement](#) Jan. 9, 2014: 2014-2015 Free Application for Federal Student Aid and the 2014-2015 FAFSA on the Web Worksheet. Final versions of the 2014-2015 FAFSA and 2014-2015 FAFSA on the Web Worksheet are available in English or Spanish at www.fafsa.gov. Students can print the FAFSA and complete it manually or enter their data on a screen-fillable form before printing. The optional FAFSA on the

Web Worksheet gives applicants an opportunity to preview questions that may be asked when completing the FAFSA on the Web. Copies of the 2014-2015 FAFSA and 2014-2015 FAFSA on the Web are attached to the announcement.

An [Electronic Announcement](#) was published by the USDE Jan. 14, 2014: Upcoming Distribution of 2014-2015 Renewal FAFSA Reminders. 2014-2015 FAFSA Renewal Reminder email notifications will be distributed by the Central Processing System beginning Jan. 16, 2014, and continuing through Jan. 22, 2014. Students who are renewal-eligible for 2014-2015, have a valid email address on their 2013-2014 record and qualify for reminders by Jan. 13, 2014, will receive the 2014-2015 Renewal Reminder emails. Additional eligibility information is provided in this announcement and in the [Oct. 30, 2013, Electronic Announcement](#).

NSLDS

On Jan. 10, 2014, the USDE published an [Electronic Announcement](#): Resolution of NSLDS Delinquent Borrower Issue. The National Student Loan Data System briefly identified some loans as delinquent Jan. 6, 2014, that should not have been. As a result, borrowers were incorrectly identified as being delinquent on the NSLDS School Portfolio Report, the NSLDS Delinquent



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Borrower Report and on the Loan Detail page of the [NSLDS Professional Access website](#). The issue was resolved Jan. 8, 2014. NSLDS reports generated on or after that date are accurate, as well as information viewed on the Loan Detail Web page. Additional information is provided in the electronic announcement to assist schools in determining which reports may contain inaccurate data.

The USDE published a [Newsletter](#) Jan. 17, 2014: Newsletter 44: Recent NSLDS Enhancements. Recent enhancements to the NSLDS and [NSLDS Professional Access website](#) are explained in the newsletter. Modifications include updates to support the 150 percent Direct Subsidized Loan Limit, total and permanent disability changes and identifying the new Federal Perkins Loan Servicer in NSLDS.

150 PERCENT DIRECT SUBSIDIZED LOAN LIMIT

On Jan. 17, 2014, the USDE published an [Electronic Announcement](#): 150% Direct Subsidized Loan Limit Electronic Announcement #8-Final Regulations Published. Several changes were made to the interim final regulations published May 16, 2013, that implemented the 150 percent Direct Subsidized Loan Limit. All Direct Subsidized Loan borrowers who are subject

to the 150 percent limit are affected, regardless of whether they received a Direct Subsidized Loan before or after the final regulations become effective. This announcement explains the following changes and provides calculation examples for:

- Rounding Subsidized Usage Periods
- Interaction Between the Annual Loan Limit Exception and Proration of Subsidized Usage Periods Based on Part-Time Enrollment Status
- Maximum Eligibility Period for Bachelor's Degree Completion Programs
- Maximum Eligibility Period for Special Admission Associate Degree Programs

The USDE also published a [Federal Register](#) notice Jan. 17, 2014: Final Regulations: Direct Loans-150% Subsidized Loan Limit. An analysis of comments received on the interim final regulations is outlined in the Federal Register notice, along with an explanation of the changes made. Additional information regarding the calculations of Subsidized Usage Periods can be found in the Frequently Asked Questions located at <http://www.ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/>.



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INCOME DRIVEN REPAYMENT

On Jan. 24, 2014, the USDE published an [Electronic Announcement](#): U.S.

Departments of Treasury and Education Collaborate to Raise Awareness About Income-Driven Repayment Options. Both agencies are participating in a private-public collaboration with Intuit, Inc. to raise awareness about income-driven repayment plans and other repayment options for federal student loan borrowers. Information on the outreach initiatives that will begin this tax filing season are provided in the announcement.

LOAN SERVICING

The USDE published an [Electronic Announcement](#) Jan. 24, 2014: Loan Servicing Information-Reporting Student Loan Interest Payments for 2013. The announcement includes general information for the financial aid community about reporting student loan interest payments. Answers to the following questions are provided.

- When do federal loan servicers report interest payments on IRS Form 1098-E?
- How many 2013 1098-Es should a borrower expect to receive?

- What are the different scenarios that may apply to 2013 1098 dissemination?

NET PRICE CALCULATOR

On Jan. 27, 2014, the USDE published an [Electronic Announcement](#): Updated Net Price Calculator Template. In accordance with section 132(h) of the Higher Education Act of 1965, as amended, Title IV institutions that enroll full-time, first-time degree- or certificate-seeking students are required to post a net price calculator on its website. The net price calculator must use institutional data to provide estimated net price information to current and prospective students and their families based on a student's individual situation. This requirement can be met by using the U.S. Department of Education's Net Price Calculator Template or an institution can develop their own customized calculator that includes the same minimum elements as the USDE template. The latest version of the USDE Net Price Calculator template is now available at the following link:

http://nces.ed.gov/ipeds/resource/net_price_calculator.asp. Information provided in addition to the template includes:

- The 2013 template Quick Start Guide, source code and EFC tables
- A bulk data file upload tool



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- A zip file with a list of net price calculator web addresses institutions reported through IPEDS
- Frequently asked questions
- Links to additional resources and guidance about the net price calculator

LOAN PROCESSING

The USDE published an [Electronic Announcement](#) Jan. 29, 2014: Direct Loan Processing Information-Accurately Reporting Direct Loan Disbursement Dates. This announcement is a reminder to schools of the importance of accurately reporting Direct Loan actual disbursement dates to the COD System. Information provided in the announcement includes:

- Definition of Actual Disbursement Date
- Importance of the Actual Disbursement Date
- Updating Anticipated Disbursements to Actual Disbursements-Check the Disbursement Date
- Additional Information

The additional information contains links to guidance and reference materials related to disbursement processing.

PROGRAM INTEGRITY

On Jan. 30, 2014, the USDE published an [Electronic Announcement](#): Program Integrity Questions and Answers Website Update. Program Integrity final regulations were initially published Oct. 29, 2010. The Office of Postsecondary Education maintains a website containing questions and answers pertaining to Program Integrity at this link:

<http://www2.ed.gov/policy/highered/reg/hea/rulemaking/2009/integrity-qa.html>. A new section has been added to the Program Integrity Q&A website regarding high school diplomas. Categories currently available on the website include:

- High School Diploma
- State Authorization
- Retaking Coursework
- Credit Hour
- Ability-to-Benefit
- Incentive Compensation
- Misrepresentation
- Return of Title IV Funds
- Satisfactory Academic Progress
- Gainful Employment
- Verification



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FORMS

A Dear Colleague Letter [GEN-14-02](#) was published by the USDE Jan. 31, 2014: Changes to Guidance Concerning the Implementation of the Military Service and Post-Active Duty Student Deferment Request. In this DCL, the USDE responds to questions received regarding implementation guidance for the revised Military Service and Post-Active Duty Student Deferment Request form that was published with DCL [GEN-13-23](#) Nov. 29, 2013. The form has been slightly modified from the previous version to remove the signature line as a fillable field. Contrary to original intent, the signature line was not limited to accept only digital facsimile signatures. In a future revision, this important limitation will be implemented. The deadline by which lenders and servicers must begin distributing the new Military Service and Post-Active Duty Student Deferment Request form has been extended from Feb. 28, 2014, to April 30, 2014. Additional guidance is presented in the DCL and a copy of the revised form is attached to the letter.

Summaries of the most recent policy updates made to the July 2013 reprint of the *Common Manual* have been posted to the *Common Manual* website at the following link <http://www.commonmanual.org> in the [Approved Policies](#) section. The common bulletin language for each policy change drafted by the *Common Manual* Policy Committee is also provided at the link. Changes made in these proposals will be incorporated into the *Common Manual's* annual update. They will also be incorporated into the *Integrated Common Manual* released in June 2014.

COMMON MANUAL

On January 16, 2014, the *Common Manual Governing Board* approved policy changes proposed to the board in Batch 197 and 198.